

4 October 2023

Argonaut reports \$5.0m FY23 profit

Perth, Western Australia: Argonaut, the specialist natural resources investment banking firm, is pleased to announce an Attributable Net Profit after Tax of \$5.0 million (FY22: \$18.7 million) for the year ended 30 June 2023 (**FY23**).

Argonaut's FY23 Revenue of \$29.6 million (FY22: \$49.8 million) represented a resilient result led by strong contributions across the Corporate Finance and Principal Investing divisions. The Securities division delivered a more modest performance as weaker market conditions impacted activities. Argonaut Funds Management delivered strong outperformance across its two core funds, Argonaut Natural Resources Fund (**ANRF**) and Argonaut Global Gold Fund¹ (**AGGF**), which supported continued growth in Funds Under Management (**FUM**) to \$38.0 million as at 30 June 2023.

The FY23 profit result enabled the payment of full-year fully franked dividends of \$3.2 million (FY22: \$9.1 million) while allowing Argonaut to continue group-wide investment to enhance operational capability.

We note that the FY23 financial results are difficult to compare with the previous financial year which represented record financial results in the context of significantly stronger market conditions and the inclusion of significant one-off gains from the Principal Investing division.

Argonaut has entered FY24 with a balance sheet reflecting Net Tangible Assets of \$29.7 million, backed by a strong cash and working capital position. Argonaut continues to have no debt on its balance sheet.

Commenting on the FY23 results, Argonaut Group Managing Director & Head of Corporate Finance Greg Southee said:

"Argonaut's diversified operating platform again proved profitable and resilient amid a less certain macro-economic environment.

"Our financial performance enabled Argonaut to maintain a disciplined approach to ongoing investment across the group platform as we continued to strengthen and broaden our internal and client-facing capabilities through the cycle. This momentum has continued into FY24 with a series of recent key senior executive appointments and strong activity levels across the corporate finance division, offsetting a continued subdued level of brokerage activity that is being felt across our industry.

"The opening of our Sydney office during the year, under the leadership of Ben Clifford, was a highlight, as was the appointment of highly regarded professional director Jenn Morris to the Argonaut board. Several other key hires, including Hayden Birstow as our incoming Executive Director and Head of Research, will join the Argonaut team this year to further build out our firm's capability.

¹ Recently, the Argonaut Australian Gold Fund's mandate was repositioned as the Argonaut Global Gold Fund to better capitalise on the strong fund performance and Argonaut's positive view of the global gold sector thematic.

“Argonaut is financially robust and well positioned to further grow the firm’s position as a sought-after specialist natural resources investment bank.

“I thank the Argonaut team for their significant efforts and dedication in FY23 and our clients for their support of and trust in Argonaut.”

Year-To-Date Performance & Outlook

While market conditions remain challenging, Argonaut’s financial performance in Q1 FY24 was pleasingly ahead of budget and last year’s equivalent financial performance.

Corporate Finance activity across ECM and DCM mandates continues to be robust and M&A and restructuring work in hand is encouraging. This activity is offsetting agency brokerage levels that remain subdued in line with broader market conditions. Argonaut’s fund management business has maintained its market-leading performance, which provides confidence that FUM will continue to grow meaningfully in FY24. Finally, the Principal Investing division has successfully executed several key equity investments and realisations to date to underpin a continued strong financial contribution to the group.

Consistent with Argonaut’s talent-led strategic growth initiative, the firm has strengthened our leadership team with the recent senior executive appointments of Hayden Bairstow (Executive Director, Head of Research), Angus Thompson (Executive Director, Argonaut Partners) and Tim Vandenbulcke (Marketing/Brand Manager), who are all joining the team in FY24.

Argonaut is also starting to see early gains from our strategic decision to open an office in Sydney during FY23, led by Argonaut Managing Director Ben Clifford. The decision was designed to further enhance Argonaut’s strategy to retain and attract talent and grow our business.

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About Argonaut

Argonaut is an integrated investment house with corporate, stockbroking & research and special situations financing capability in the Australia/Asian region.

Located in Perth and Sydney, Australia, Argonaut is technically driven and focused on Metals & Mining, Energy, Agribusiness Businesses and Contractors that service the natural resource sector as well as select Industrial companies with market capitalisations between \$30 million and \$5 billion.